

Monthly Operating Report

CASE NAME: Superior Air Parts, Inc.
CASE NUMBER: 08-36705-BJH-11
JUDGE:

ACCRUAL BASIS

02/13/95, RWD, 1/96, RWD, 7/99

UNITED STATES BANKRUPTCY COURT
Northern DISTRICT OF Texas
Dallas DIVISION

MONTHLY OPERATING REPORT

MONTH ENDING: June 30, 2009

I DECLARE UNDER PENALTY OF PERJURY THAT I HAVE EXAMINED THE FOLLOWING MONTHLY OPERATING REPORT (ACCRUAL BASIS-1 THROUGH ACCRUAL BASIS-7) AND THE ACCOMPANYING ATTACHMENTS AND THESE DOCUMENTS ARE TRUE, CORRECT AND COMPLETE. DECLARATION OF THE PREPARER IS BASED ON ALL INFORMATION OF WHICH PREPARER HAS ANY KNOWLEDGE.

RESPONSIBLE PARTY:


ORIGINAL SIGNATURE OF RESPONSIBLE PARTY
Kent Abercrombie
PRINTED NAME OF RESPONSIBLE PARTY


President

TITLE

July 17, 2009

DATE

PREPARER:


ORIGINAL SIGNATURE OF PREPARER
Kent Abercrombie
PRINTED NAME OF PREPARER

President

TITLE

July 17, 2009

DATE

CASE NAME: SUPERIOR AIR PARTS, INC.
CASE NUMBER: 08-36705-BJH-11

ACCRUAL BASIS-1

COMPARATIVE BALANCE SHEET

	ASSETS	SCHEDULE AMOUNT	MONTH	MONTH	MONTH
			4/30/2009	5/31/2009	6/30/2009
	1. UNRESTRICTED CASH	412,357	3,411,287	3,938,851	3,137,559
	2. RESTRICTED CASH	0	0	0	0
	3. TOTAL CASH	412,357	3,411,287	3,938,851	3,137,559
a.	4. ACCOUNTS RECEIVABLE (NET)	5,392,055	5,106,602	4,921,427	4,810,234
b.	5. INVENTORY	11,158,744	7,886,032	7,514,758	7,382,740
	6. NOTES RECEIVABLE	0	0	0	0
	7. PREPAID EXPENSES	85,107	303,056	563,816	636,482
	8. OTHER (ATTACH LIST)	13,385	0	0	0
	9. TOTAL CURRENT ASSETS	16,649,291	13,295,689	13,000,001	12,829,456
c.	10. PROPERTY, PLANT, & EQUIPMENT	1,062,565	4,461,132	4,461,132	4,462,632
c.	11. LESS: ACCUMULATED DEPRECIATION/DEPLETION	0	3,652,473	3,686,119	3,719,455
	12. NET PROPERTY, PLANT & EQUIPMENT	1,062,565	808,659	775,013	743,177
	13. DUE FROM INSIDERS	0	0	0	0
	14. OTHER ASSETS - NET OF AMORTIZATION (ATTACH LIST)	0	1,115,920	1,075,031	1,050,576
	15. OTHER (ATTACH LIST)	15,471	0	0	0
	16. TOTAL ASSETS	18,139,684	18,631,555	18,788,896	17,760,768
	POSTPETITION LIABILITIES				
	17. ACOCUNTS PAYABLE		330,947	900,736	259,997
	18. TAXES PAYABLE		117,705	140,760	163,816
d.	19. NOTES PAYABLE		0	0	0
	20. PROFESSIONAL FEES		431,240	440,708	394,598
	21. SECURED DEBT				
	22. OTHER (ATTACH LIST)		169,510	217,942	272,708
	23. TOTAL POSTPETITION LIABILITIES	0	1,049,402	1,700,147	1,091,119
	PREPETITION LIABILITIES				
	24. SECURED DEBT	10,291,701	10,146,611	10,146,611	10,146,611
	25. PRIORITY DEBT	74,641	0	0	0
	26. UNSECURED DEBT	16,897,517	16,866,817	16,866,817	16,866,817
	27. OTHER (ATTACH LIST)	0	3,310,194	3,310,194	3,310,194
	28. TOTAL PREPETITION LIABILITIES	27,263,859	30,323,622	30,323,623	30,323,623
	29. TOTAL LIABILITIES	27,263,859	31,373,024	32,023,769	31,414,742
	EQUITY				
e.	30. PREPETITION OWNERS' EQUITY		(11,010,850)	(11,010,850)	(11,010,850)
	31. POSTPETITION CUMULATIVE PROFIT OR (LOSS)		(1,730,618)	(2,224,022)	(2,643,123)
	32. DIRECT CHARGES TO EQUITY (ATTACH EXPLANATION)				
	33. TOTAL EQUITY	0	(12,741,468)	(13,234,872)	(13,653,973)
	34. TOTAL LIABILITIES & OWNERS EQUITY	27,263,859	18,631,556	18,788,897	17,760,769

CASE NAME: SUPERIOR AIR PARTS, INC.

ACCRUAL BASIS-2

CASE NUMBER: 08-36705-BJH-11

INCOME STATEMENT

REVENUES	MONTH	MONTH	MONTH	QUARTER
	4/30/2009	5/31/2009	6/30/2009	TOTAL
1. GROSS REVENUES	569,064	739,871	627,066	1,936,001
2. LESS: RETURNS & DISCOUNTS	8,671	4,372	5,684	18,727
3. NET REVENUE	560,394	735,499	621,382	1,917,274
COST OF GOODS SOLD				
4. MATERIAL	472,350	545,287	382,978	1,400,615
5. DIRECT LABOR	0	0	0	0
6. DIRECT OVERHEAD	0	0	0	0
7. TOTAL COST OF GOODS SOLD	472,350	545,287	382,978	1,400,615
8. GROSS PROFIT	88,044	190,212	238,404	516,660
OPERATING EXPENSES				
9. OFFICER/INSIDER COMPENSATION	11,000	10,500	11,000	32,500
10. SELLING & MARKETING	7,038	7,038	7,038	21,114
11. GENERAL & ADMINISTRATIVE	507,509	553,637	344,062	1,405,208
12. RENT & LEASE	40,914	37,906	37,614	116,434
13. OTHER (ATTACH LIST)	0	0	0	0
14. TOTAL OPERATING EXPENSES	566,461	609,081	399,714	1,575,256
15. INCOME BEFORE NON-OPERATING INCOME & EXPENSE	(478,417)	(418,869)	(161,310)	(1,058,596)
OTHER INCOME & EXPENSES				
16. NON-OPERATING INCOME (ATT. LIST)	0	0	0	0
17. NON-OPERATING EXPENSE (ATT. LIST)	0	0	0	0
18. INTEREST EXPENSE	(146,611)	0	0	(146,611)
19. DEPRECIATION/DEPLETION	48,991	33,646	33,335	115,973
20. AMORTIZATION	26,198	40,889	24,455	91,542
21. OTHER (ATTACH LIST)	341,285	0	0	341,285
22. NET OTHER INCOME & EXPENSES	269,863	74,535	57,790	402,189
REORGANIZATION EXPENSES				
23. PROFESSIONAL FEES	0	0	200,000	200,000
24. U.S. TRUSTEE FEES	325	0	0	325
25. OTHER (ATTACH LIST)	0	0	0	0
26. TOTAL REORGANIZATION EXPENSES	0	0	0	0
27. INCOME TAX	(240,772)	0	0	(240,772)
28. NET PROFIT (LOSS)	(507,834)	(493,404)	(419,100)	(1,420,338)

CASE NAME: SUPERIOR AIR PARTS, INC.

ACCRUAL BASIS-3

CASE NUMBER: 08-36705-BJH-11

INCOME STATEMENT

CASH RECEIPTS AND DISBURSEMENTS	MONTH	MONTH	MONTH	QUARTER
	4/30/2009	5/31/2009	6/30/2009	TOTAL
1. CASH - BEGINNING OF MONTH	3,080,959	3,411,287	3,938,851	3,080,959
RECEIPTS FROM OPERATIONS				
2. CASH SALES	0	0	0	0
COLLECTION OF ACCOUNTS RECEIVABLE				
3. PREPETITION				0
4. POSTPETITION	708,708	922,061	726,702	2,357,471
5. TOTAL OPERATING RECEIPTS	708,708	922,061	726,702	2,357,471
NON-OPERATING RECEIPTS				
6. LOANS & ADVANCES (ATTACH LIST)	0	0	0	0
7. SALE OF ASSETS	0	0	0	0
8. OTHER (ATTACH LIST)	0	0	0	0
9. TOTAL NON-OPERATING RECEIPTS	0	0	0	0
10. TOTAL RECEIPTS	708,708	922,061	726,702	2,357,471
11. TOTAL CASH AVAILABLE	3,789,667	4,333,348	4,665,552	5,438,430
OPERATING DISBURSEMENTS				
12. NET PAYROLL	60,036	53,023	77,488	190,547
13. PAYROLL TAXES PAID	24,454	20,483	19,553	64,490
14. SALES, USE, & OTHER TAXES PAID	3,887	0	0	3,887
15. SECURED/RENTAL/LEASES	47,757	41,938	39,299	128,994
16. UTILITIES	1,790	1,595	1,903	5,288
17. INSURANCE	24,268	60,579	384,536	469,384
18. INVENTORY PURCHASES	154,434	184,169	452,077	790,681
19. VEHICLE EXPENSES	0	0	130	130
20. TRAVEL	395	1,944	2,569	4,908
21. ENTERTAINMENT	0	0	165	165
22. REPAIRS & MAINTENANCE	21,953	2,055	20,521	44,529
23. SUPPLIES	4,670	2,032	2,260	8,962
24. ADVERTISING	3,500	0	170	3,670
25. OTHER (ATTACH LIST)	30,910	26,680	22,102	79,692
26. TOTAL OPERATING DISBURSEMENTS	378,055	394,497	1,022,774	1,795,326
REORGANIZATION EXPENSES				
27. PROFESSIONAL FEES	0	0	531,238	531,238
28. U.S. TRUSTEE FEES	325	0	0	325
29. OTHER (ATTACH LIST)	0	0	0	0
30. TOTAL REORGANIZATION EXPENSES	325	0	531,238	531,563
31. TOTAL DISBURSEMENTS	378,380	394,497	1,554,012	2,326,890
32. NET CASH FLOW	330,328	527,564	(827,310)	30,581
33. CASH - END OF MONTH	3,411,287	3,938,851	3,111,540	3,111,540

CASE NAME: SUPERIOR AIR PARTS, INC.

ACCRUAL BASIS-4

CASE NUMBER: 08-36705-BJH-11

ACCOUNTS RECEIVABLE AGING		SCHEDULE AMOUNT	MONTH 4/30/2009	MONTH 5/31/2009	MONTH 6/30/2009
1.	0-30	1,746,699	876,667	685,858	763,491
2.	31-60	129,130	269,582	219,514	53,951
3.	61-90	48,258	193,629	214,329	192,530
4.	91+	3,467,968	4,060,585	4,034,743	4,059,420
5.	TOTAL ACCOUNTS RECEIVABLE	5,392,055	5,400,463	5,154,444	5,069,394
6.	AMOUNT CONSIDERED UNCOLLECTIBLE	0	3,857,121	3,795,616	3,774,354
7.	ACCOUNTS RECEIVABLE (NET)	5,392,055	1,543,342	1,358,828	1,295,040

AGING OF POSTPETITION TAXES AND PAYABLES

TAXES PAYABLE	0-30 DAYS	31-60 DAYS	61-90 DAYS	91+ DAYS	TOTAL
1. FEDERAL					0
2. STATE					0
3. LOCAL					0
4. OTHER (ATTACH LIST)					0
5. TOTAL TAXES PAYABLE					0
6. ACCOUNTS PAYABLE	144,821	77,496	15,306	22,374	259,997

STATUS OF POSTPETITION TAXES

FEDERAL	BEGINNING TAX LIABILITY*	AMOUNT WITHHELD AND OR ACCRUED	AMOUNT PAID	ENDING TAX LIABILITY
1. WITHHOLDING**	0	8,665	8,665	0
2. FICA - EMPLOYEE**	0	4,376	4,376	0
3. FICA - EMPLOYER**	0	4,376	4,376	0
4. UNEMPLOYMENT	0	10	10	0
5. INCOME	0	0	0	0
6. OTHER (ATTACH LIST)	0	2,047	2,047	0
7. TOTAL FEDERAL TAXES	0	19,475	19,475	0
STATE AND LOCAL				
8. WITHHOLDING	0	0	0	0
9. SALES	(96)	0	0	(96)
10. EXCISE	0	0	0	0
11. UNEMPLOYMENT	0	79	79	0
12. REAL PROPERTY	0	0	0	0
13. PERSONAL PROPERTY	0	0	0	0
14. OTHER (ATTACH LIST)	0	0	0	0
15. TOTAL STATE & LOCAL	(96)	79	79	(96)
16. TOTAL TAXES	(96)	19,553	19,553	(96)

* The beginning tax liability should represent the liability from the prior report, the amount should be zero.

** Attach photocopies of IRS Form 6123 or your FTD coupon and payment

CASE NAME: SUPERIOR AIR PARTS, INC.
CASE NUMBER: 08-36705-BJH-11

ACCRUAL BASIS-5

The debtor in possession must complete the reconciliation below for each bank account, including all general, payroll, and tax accounts, as well as all savings and investment accounts, money market accounts, certificates of deposit, governmental obligations, etc.

Accounts with restricted funds should be identified by placing an asterisk next to the account number. Attach additional sheets if necessary.

MONTH: _____

BANK RECONCILIATIONS				
	Account #1	Account #2	Account #3	
A. BANK: JPMORGAN CHASE	JPM CHASE	JPM CHASE	JPM CHASE	
B. ACCOUNT NUMBER:	790437578	790438485	790438568	TOTAL
C. PURPOSE (TYPE):	Operating	Payroll	AVCO	
1. BALANCE PER BANK STATEMENT	3,111,040	0	0	3,111,040
2. ADD: TOTAL DEPOSITS NOT CREDITED	0	0	0	0
3. SUBTRACT: OUTSTANDING CHECKS	0	0	0	0
4. OTHER RECONCILING ITEMS	26,018	0	0	26,018
5. MONTH END BALANCE PER BOOKS	3,137,059	0	0	3,137,059
6. NUMBER OF LAST CHECK WRITTEN	70175		Wires only	70175

INVESTMENT ACCOUNTS

BANK, ACCOUNT NAME, & NUMBER	DATE OF PURCHASE	TYPE OF INSTRUMENT	PURCHASE PRICE	CURRENT VALUE
7.				
8.				
9.				
10.				
11. TOTAL INVESTMENTS			0	0

CASH	
12. CURRENCY ON HAND	500
13. TOTAL CASH - END OF MONTH	3,137,559

CASE NAME: SUPERIOR AIR PARTS, INC.
CASE NUMBER: 08-36705-BJH-11

ACCRUAL BASIS-5

The debtor in possession must complete the reconciliation below for each bank account, including all general, payroll, and tax accounts, as well as all savings and investment accounts, money market accounts, certificates of deposit, governmental obligations, etc.

Accounts with restricted funds should be identified by placing an asterisk next to the account number. Attach additional sheets if necessary.

MONTH: _____

BANK RECONCILIATIONS				
	Account #1	Account #2	Account #3	
A. BANK: JPMORGAN CHASE	JPM CHASE	JPM CHASE	JPM CHASE	TOTAL
B. ACCOUNT NUMBER:	790438162	790438501		
C. PURPOSE (TYPE):	AP	Section 125		
1. BALANCE PER BANK STATEMENT	0	0	0	0
2. ADD: TOTAL DEPOSITS NOT CREDITED	0	0	0	0
3. SUBTRACT: OUTSTANDING CHECKS	0	0	0	0
4. OTHER RECONCILING ITEMS	0	0	0	0
5. MONTH END BALANCE PER BOOKS	0	0	0	0
6. NUMBER OF LAST CHECK WRITTEN				0

INVESTMENT ACCOUNTS

BANK, ACCOUNT NAME, & NUMBER	DATE OF PURCHASE	TYPE OF INSTRUMENT	PURCHASE PRICE	CURRENT VALUE
7.				
8.				
9.				
10.				
11. TOTAL INVESTMENTS			0	0

CASH	
12. CURRENCY ON HAND	0
13. TOTAL CASH - END OF MONTH	0

CASE NAME: SUPERIOR AIR PARTS, INC.

CASE NUMBER: 08-36705-BJH-11

MONTH: _____

OF THE TOTAL DISBURSEMENTS SHOWN FOR THE MONTH, LIST THE AMOUNT PAID TO INSIDERS (AS DEFINED IN SECTION 101 (31) (A)-(F) OF THE U.S. BANKRUPTCY CODE) AND TO PROFESSIONALS. ALSO, FOR PAYMENTS TO INSIDERS, IDENTIFY THE TYPE OF COMPENSATION PAID (e.g. SALARY, BONUS, COMMISSIONS, INSURANCE, HOUSING ALLOWANCE, TRAVEL, CAR ALLOWANCE, ETC.). ATTACH ADDITIONAL SHEETS IF NECESSARY

INSIDERS			
NAME	TYPE OF PAYMENT	AMOUNT PAID	TOTAL PAID TO DATE
1. Kent Abercrombie	Payroll	11,000	64,500
2.		0	1,568
3.			
4.			
5.			
6. TOTAL PAYMENTS TO INSIDERS			66,068

PROFESSIONALS

NAME	DATE OF COURT ORDER AUTHORIZING PAYMENT	AMOUNT APPROVED	AMOUNT PAID	TOTAL PAID TO DATE	TOTAL INCURRED & UNPAID*
g. 1. STRASBURGER					654,767
2. CORPORATE FINANCE PARTNERS					0
3. BAKER & MCKENZIE					296,443
4. LAIN FAULKNER					118,851
5.					
6. TOTAL PAYMENTS TO PROFESSIONALS		0	0	0	1,070,062

* INCLUDE ALL FEES INCURRED, BOTH APPROVED, AND UNAPPROVED

POSTPETITION STATUS OF SECURED NOTES, LEASES PAYABLE AND ADEQUATE PROTECTION PAYMENTS

NAME OF CREDITOR	SCHEDULED MONTHLY PAYMENTS DUE	AMOUNTS PAID DURING MONTH	TOTAL UNPAID POSTPETITION
1. TEXAS DUGAN	34,387	35,482	0
2. AICCO	5,971	0	5,971
3. GREAT AMERICAN LEASING	734	0	734
4. PRINT, INC.	0	0	0
5. ARAMARK	240	443	(203)
6. DALLAS RECYCLING	238	0	238
7. ERVIN LEASING	301	301	0
8. TYGRIS VENDOR	5,339	0	5,339
9. TOTAL	47,210	36,227	12,079

Monthly Operating Report

CASE NAME: SUPERIOR AIR PARTS, INC.

ACCRUAL BASIS-7

CASE NUMBER: 08-36705-BJH-11

MONTH: _____

QUESTIONNAIRE

	YES	NO
1. HAVE ANY ASSETS BEEN SOLD OR TRANSFERRED OUTSIDE THE NORMAL COURSE OF BUSINESS THIS REPORTING PERIOD?		X
2. HAVE ANY FUNDS BEEN DISBURSED FROM ANY ACCOUNT OTHER THAN A DEBTOR IN POSSESSION ACCOUNT?		X
3. ARE ANY POSTPETITION RECEIVABLES (ACCOUNTS, NOTES, OR LOANS) DUE FROM RELATED PARTIES?		X
4. HAVE ANY PAYMENTS BEEN MADE ON PREPETITION LIABILITIES THIS REPORTING PERIOD?		X
5. HAVE ANY POSTPETITION LOANS BEEN RECEIVED BY THE DEBTOR FROM ANY PARTY?		X
6. ARE ANY POSTPETITION PAYROLL TAXES DUE?		X
7. ARE ANY POSTPETITION STATE OR FEDERAL INCOME TAXES PAST DUE?		X
8. ARE ANY POSTPETITION REAL ESTATE TAXES PAST DUE?		X
9. ARE ANY OTHER POSTPETITION TAXES PAST DUE?		X
10. ARE ANY AMOUNTS OWED TO POSTPETITION CREDITORS DELINQUENT?		X
11. HAVE ANY PREPETITION TAXES BEEN PAID DURING THE REPORTING PERIOD?		X
12. ARE ANY WAGE PAYMENTS PAST DUE?		X

IF THE ANSWER TO ANY OF THE ABOVE QUESTIONS IS "YES," PROVIDE A DETAILED EXPLANATION OF EACH ITEM. ATTACH ADDITIONAL SHEETS IF NECESSARY.

INSURANCE

	YES	NO
1. ARE WORKER'S COMPENSATION, GENERAL LIABILITY AND OTHER NECESSARY INSURANCE COVERAGES IN EFFECT?	X	
2. ARE ALL PREMIUM PAYMENTS PAID CURRENT?	X	
3. PLEASE ITEMIZE POLICIES BELOW.		

IF THE ANSWER TO ANY OF THE ABOVE QUESTIONS IS "NO," OR IF ANY POLICIES HAVE BEEN CANCELLED OR NOT RENEWED DURING THIS REPORTING PERIOD, PROVIDE AN EXPLANATION BELOW. ATTACH ADDITIONAL SHEETS IF NECESSARY.

INSTALLMENT PAYMENTS

TYPE OF POLICY	CARRIER	PERIOD COVERED	PAYMENT AMOUNT & FREQUENCY
Product Liability Insurance	AIG and others	Sep 08 - Aug 09	391,875 quarterly
Product Liability Insurance	AIG and others	Sep 08 - Aug 09	17,500 quarterly
Product Liability Insurance	AICCO	Sep 08 - Aug 09	5,971 monthly
General Liability and Property Casualty	Chubb	Oct 08 - Sep 09	7,716 quarterly
Auto	Chubb	Oct 08 - Sep 09	1,534 quarterly
Foreign Package	Chubb	Oct 08 - Sep 09	985 quarterly
Ocean Cargo	Chubb	Oct 08 - Sep 09	8,500 annually
Aircraft	AIG	Sep 08 - Sep 09	1,129 annually
Workers Compensation	Chubb	Oct 08 - Sep 09	33,813 annually

Accrual Basis - 1 Attachment

14. Other Assts	
PMA's	1,050,576
	<u>1,050,576</u>
22. Other	
Accrued Payroll	(29,408)
Accrued Profit Sharing	3,370
401(K) Contribution Payable	4,114
401(K) Employer Match	2,705
Accrued Insurance - SIR	(270,000)
Accrued Scrap	10,000
Piston Warranty	(4,619)
Accrued Advertising	14,428
Deferred Core Profit	121,228
Deferred Core Profit - Contra	<u>(124,526)</u>
	(272,708)
27. Other	
Accrued Payroll	(11,783)
Accrued Vacation Pay	(57,237)
Accrued Profit Sharing	(3,878)
401(K) Contribution Payable	(5,997)
401(K) Employer Match	(3,215)
Accrued Bonuses	-
Accrued Insurance - SIR	(1,855,797)
Accrued Scrap	(10,000)
Piston Warranty	(876,390)
Mil Engine Warranty	(227,209)
520 Cylinder Reserve	(207,177)
Accrued Advertising	(14,428)
Deferred Core Profit	(121,228)
Deferred Core Profit - Contra	124,526
Sales Ret & Allow Reserve	<u>(40,382)</u>
	(3,310,194)

Accrual Basis - 2 Attachment

21. Other

Accrual Basis - 3 Attachment

25. Other

AADFW Inc	131
AADFW Inc	57.37
AADFW, Inc	57.37
Abelardo Martinez	1613.48
Abelardo Martinez	854.93
Abelardo Martinez	823.31
Abelardo Martinez	601.8
ADP Inc	48.61
ADP Inc	45.37
ADT Security Sevices Inc	227.58
AT&T Mobility	374.56
Bank fees	629.18
Carl H Johnson	1500
Credit Card fees	762.31
Credit Card fees	640.75
Credit Card fees	27.88
Dynamic Technologies Inc	220.86
ING 401(k)	2896.21
Maria Garcia	622.91
Maria Garcia	594
Maria Garcia	580.45
Maria Garcia	577.42
Maria Garcia	488.92
Maria Melgar	559.19
Maria Melgar	525.5
Maria Melgar	389.05
Panalpina Inc	261.89
TW Telecom	1534.45
United Parcel Service	1695.44
United Parcel Service	1217.56
YRC	395.88
YRC	250.89
YRC	229.22
YRC	135.54
YRC	135.54
YRC	395.88
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	22,102